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APPENDIX.

AN EIGHTEENTH CENTURY RECORD OF THE EVILS OF DEPRECIATION.

The memorandum printed below is in the records of the Probate Court of Essex County in Massachusetts. It was brought to my attention by Mr. H. R. Bailey, of Cambridge, Mass., and to his notice by Mr. J. T. Mahoney, of Salem.

Benjamin Greenleaf, the writer of the memorandum, was eighth judge of probate of Essex County. He was born at Newbury, Massachusetts, in 1732, and died at Newburyport in 1799. He was graduated at Harvard College in the Class of 1751. Judge Greenleaf was unmistakably a man of note in his day. He was judge of probate from August 26, 1775, to July 2, 1796. It will be noticed that in the memorandum he implies that, at the time of writing (1781), he expected soon to give way to a successor in the office of probate judge; but his commission was renewed in this year, presumably after the memorandum had gone on the record. He was at the same time justice of the Court of Common Pleas of his county from October, 1775 to 1796.* At least from June, 1767, to October, 1770, he was a member of the House of Representatives of the General Court of Massachusetts, and at least from June, 1772, to November, 1779, was a member of the Council.†

Mr. A. C. Goodell, in his *Biographical Notice of the Officers of Probate for Essex County*,‡ says of him, "He devised some new forms of proceedings in the Probate Court, adapted to the peculiar legislation against loyal refugees, and has left a curious table of the depreciation of currency." This table, which would be of great interest, I have been unable to find.

The law of the Commonwealth on the legal tender force of the continental currency, to which Judge Greenleaf refers in his record, was an act passed April 13, 1776,§ entitled "An act to prevent

* *Court of Common Pleas Records.*

† *Acts and Resolves, Public and Private, of the Province of the Massachusetts Bay*, vols. iv and v.

‡ *Historical Collections of the Essex Institute*, vol. iv., No. 3.

§ *Province Laws*, 1775-76, chap xviii.

forging and altering bills of public credit, and for preventing the depreciation thereof, and for making bills of credit of the United Colonies and the bills of this government a tender in all payments." In Section 4 it provided that the penalty for receiving or paying "any of the bills aforesaid for a less sum than is in them expressed" should be incapacity for ever after "holding any civil or military office in this colony," and a fine of forty pounds for each offence. Section 5 provided a fine of twenty pounds as penalty for offering goods or merchandise for a less sum in silver and gold than in the currency of the United Colonies. Section 6 enacted a legal tender in all payments within the colony of the bills of credit of the United Colonies established by the American Congress and of the bills of the colony. Further, "all justices, sheriffs, grand jurors, and tythingmen are hereby strictly enjoined and commanded to bring to justice all persons offending against this act, or any part of it."

A still more severe enactment was passed on June 24, 1779. This act* was entitled "An act to prevent the withholding the necessities of life, and for punishing those persons who refuse to take the bills of credit of this State or the United States of America." Section 2 provided a penalty of not more than £500 or less than £50, or for want thereof six months' imprisonment, for any person who should use any means "to hurt or destroy the credit of the public bills of this State or of the United States of America, by refusing to take them for any article of merchandise." Sheriffs and other such officers were enjoined "to make presentment and complaint of all such offences as shall come to their knowledge, respectively."

At this time feeling was running very high in some of the colonies against those who refused to take the paper currency at its face value, and heroic remedies were advocated to sustain its credit.† In Boston a meeting of merchants and traders was held on June 16, 1779; and resolutions were reported which included a proposed pledge not to buy or sell for coin, and to gradually reduce prices to the former level. "The Boston resolves had not only denounced as public enemies those who refused to comply with the regulations approved by them, but had declared that they should not remain in the community, but should 'be transported to our enemies as unworthy and dangerous members of society.' In Philadelphia the extreme measures of the self-imposed redressers of the alledged public wrong were resisted, in some instances to bloodshed." The Boston merchants' meeting sent out a circular letter calling a con-

* *Province Laws*, 1779-80, chap. vii

† *Acts and Resolves, Notes* (by Mr. A. C. Goodell) to chap. xiii, *Province Laws*, 1779-80.

vention at Concord for July 17, to which one hundred and seventy-four delegates from one hundred and twenty-one towns responded. The convention did not go the length of the Boston resolves, but recommended that offenders should be deemed public enemies and treated as such, and that their names should be published by the selectmen of the towns.

The act of June 24, 1779, expired by limitation on June 24, 1780; but the earlier act passed April 13, 1776, continued in force until it was repealed (Sections 4, 5, and 6) by an act passed September 29, 1780. This act* was entitled "An act for carrying into execution a resolve of Congress, of the twentieth of March last, and for repealing certain clauses of an act made in the year of our Lord 1776, . . . and for establishing a rule of depreciation." After the clauses of repeal the act went on to provide a scale of depreciation, prefaced by the following preamble: "Whereas it has happened that the paper bills of credit of the United States, and of this State, have been, from time to time since the first day of January, in the year of our Lord 1777, depreciating, so that it is become necessary, in order that justice may be done to debtors and creditors in this State, that a scale of such depreciation may be formed, as nearly as possible, to the real depreciation, from time to time,

"Be it therefore enacted (Section 2) that the following scale shall be the rule, in all courts of law within this State, for settling the rate of depreciation on all contracts, public and private, for the payment of monies, made on or since the said first day of January; and that all contracts, public or private, made before the said first day of January, shall be considered alike, and as having been made before any depreciation had taken place."

The scale which follows may be found in Felt's *Historical Account of Massachusetts Currency* (p. 196), and need not here be again reprinted. It stopped at April, 1780, with a ratio of forty of paper to one of specie.

It is doubtless true, as Judge Greenleaf asserts in his memorandum, that the current ratio was at seventy-five to one before this repeal of the old tender law. The current ratio was certainly at seventy-five to one (according to a table to be found in Felt, p. 196) at the time Judge Greenleaf was writing his record. There is other evidence to show that the legally established ratio of forty to one was too low even in April, 1780, and that, consequently, the whole scale may not have been formed, "as nearly as possible, to the real depreciation, from time to time," as the act declares. Two inventories of estates were handed to Judge Greenleaf in April, 1780, which reckon

* *Province Laws*, 1780, chap. xii.

paper money at a value much below the legal ratio of forty to one, afterwards established for that month. One of these,* appraised on the 13th of the month, gives a ratio of fifty to one; and the other,† taken on the 22d, gives sixty to one. It will be observed that these records assume a fall in the specie value of the paper from one-fiftieth to one-sixtieth within ten days. Clearly, depreciation had reached the stage where it was difficult to quote the value of the paper.

In his notes to this Chapter XII. of the *Province Laws*, 1780, Mr. Goodell says of the tender act of 1776 that it had long been evaded or disregarded. "Even Congress and the State legislature, by approving or actively participating in schemes to adapt prices to the diminished value of the bills of credit, had evaded this statute, in its spirit, by a subterfuge too palpable to be misunderstood." As early as 1779 it was becoming understood that breaches of the law would be unavoidable even on the part of the most patriotic citizens. With its "adjuncts of terrorism and its brood of injustice and misery," it proved an "instrument of oppression to friends as well as foes."

Judge Greenleaf's record, now first published, gives a vivid picture of some aspects of these evils. It is also not without interest to get a glimpse of the high sense of duty and the tender solicitude for right-doing displayed by this son of Harvard in trying times.

C. W. MIXTER.

MEMORANDUM.‡

Those who may have Occasion to examine these Records in future Times, if they are not aware of the depreciating nature of a paper Currency, may be astonished at the enormous Rates, at which Estates are apprais'd; Or if they shou'd have a general Idea of the present State of Things they may be ready to imagine that some more judicious method might have been adopted for the taking of Inventories, &c.—For their Information it is here noted that when the current Money had depreciated so far as that 75 paper Dollars were given in exchange for one Silver Dollar, a Law of this State was continued in force declaring them equal, and making the paper at the nom-

* *MS. Record Book*, No. 354, p. 134.

† *Ibid.*, p. 140.

‡ *Record Book*, No. 354, of the Essex Probate Court, pp. 1, 2.